

5/001/058

Larry C. Apple, CPA

Financial Administrator for:

The Cropper Trust

Secretary-Treasurer for:

Red Emerald, Inc.

Sugarville Cubing Co., Inc

4990 Paradise Road, Ste. 106, Las Vegas, NV 89119-1235; Phone: 702-798-7414; Fax 702-798-7419; E-Mail: lcalv@aol.com

February 5, 2003

Ed Ginouves, Mining Engineer
United States Department of the Interior
Bureau of Land Management - Cedar City Field Office
176 East DL Sargent Drive
Cedar City, UT 84720 (Copy via Fax: 435-865-3058)

Tom Munson, Reclamation Hydrologist
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
PO Box 145801
Salt Lake City, Utah 84114-6801 (Copy via Fax: 801-359-3940)

Dear Mr. Ginouves and Mr. Munson,

We agree to the enclosed amendment to Red Emerald, Inc.'s Plan of Operations originally submitted to the BLM Cedar City Field Office on December 28, 2001, serialized as BLM case file UTU-79716, The Red Emerald Mine, Division file S/001/058. The enclosed amendment was drafted for us by Clint Christensen of Construction and Mining Services, Inc. after his meeting with you at the mine site on January 16, 2003, as further outlined in Mr. Ginouves' letter of January 24, 2003.

We also received from Ms. Opie Abeyta of the BLM State Office the bonding forms necessary to post the \$24,300 required bond. We are making arrangements with the Delta, Utah branch of Wells Fargo Bank to post a cash certificate of deposit. We hope to have the CD posted by the end of this week.

With the enclosed amendment and posting of the \$24,300 bond, we understand we will have completed the permit and bonding requirements and our Small Mine Permit and Plan will be fully and properly activated. If there is anything else required of us please contact me at your convenience.

Sincerely,

Larry C. Apple, CPA

Secretary-Treasurer

Red Emerald, Inc.

CC: Clint Christensen, Construction and Mining Services, Inc.
Don Peterson, Esq.
Edward Harris
Marlow Cropper
Earle Foster

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DIV. OF OIL, GAS & MINING

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AMENDMENT TO PLAN OF OPERATIONS FOR SMALL MINE OPERATIONS AT RED EMERALD MINE (BLM CASE FILE UTU-79716, THE RED EMERALD MINE, DIVISION FILE S/001/058)

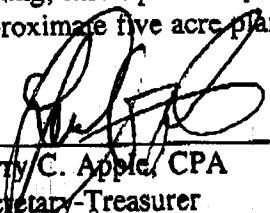
Monitoring Plan

The operator, Red Emerald, Inc (REI), or its successors will:

1. Monitor all areas within the plan of operations for noxious weeds (noxious weeds being those that are listed as noxious under the Beaver County weed control plan) throughout the time the plan of operations is in effect. REI agrees to control any occurrences of noxious weeds that occur within their operating area while the plan of operation is in effect.
2. Monitor the operating area within their plan of operations to prevent unauthorized access and use of the site. REI agrees to monitor the site conditions at least monthly to assure that the mine gate is secure and that unauthorized vehicular access is not occurring on the site. REI will inform the BLM Cedar City Field Office of incidents of unauthorized vehicular access.
3. Provide the BLM Cedar City Field Office with a key to the lock on the mine access road gate.

Reclamation Plan

In addition to the reclamation plan submitted as part of the plan of operations, REI or its successors will accept all reclamation liabilities associated with the areas encompassed by their plan of operations. In addition to the reclamation liability associated with carrying out the reclamation plan presented in the plan of operations this liability will include the responsibility to prevent erosion on, and to re-establish a stable and acceptable vegetative cover of, all areas previously disturbed and partially reclaimed through Gemston Mining, Inc.'s plan of operations (BLM file UTU_72232, Division file M/001/045) that fall within REI's approximate five acre plan area.


Larry C. Apple, CPA
Secretary-Treasurer
Red Emerald, Inc.

2/5/03
Date

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